Wilson Center | Digital Archive
International History Declassified
digitalarchive.wilsoncenter.org

# February 2, 1990
# National Intelligence Daily for Friday, 2 February 1990

## Citation:

"National Intelligence Daily for Friday, 2 February 1990", February 2, 1990, Wilson Center Digital Archive, Approved for Release by the Central Intelligence Agency, June 3, 1999, Document #0000258757. Contributed by Mark Kramer. https://digitalarchive.wilsoncenter.org/document/209604

## Summary:

The CIA's National Intelligence Daily for 2 February 1990 describes the latest developments in German unification, Bulgaria, Costa Rica, Arab States, Vietnam, and the Soviet Union.

## Original Language:

English

## Contents:

Original Scan

Wilson Center Digital Archive

3523

(M)

Top Secret

[redacted] b3

[redacted] b3

[redacted] b3

Director of Central Intelligence

# NATIONAL INTELLIGENCE DAILY

Friday, 2 February 1990

[redacted] b3

Approved for Release
Date JUN 1999
b3

[redacted]

Top Secret
[redacted] b3
2 February 1990

Wilson Center Digital Archive
Original Scan

# Warning Page Deleted
# B-3

Wilson Center Digital Archive

3525

Top Secret [redacted] b3

## Contents


| | | |
|---|---|---|
| | **Germanys:** Modrow Floats Unification Proposal | 1 |
| | [redacted] | 2 |
| | **Bulgaria:** Prime Minister, Cabinet Resign | 3 |
| | [redacted] | 4 |
| b1, b3 | [redacted] | 5 |
| | **Syria-Iran:** Alliance of Convenience Likely to Last | 6 |
| **Notes** | **Costa Rica:** Uninspired Election Looks Close | 7 |
| | **Arab States:** Considering Summit on Lebanon | 7 |
| | **USSR:** Aid Policies Toward Vietnam Stiffening | 8 |
| | : Consumer Goods Program in Trouble | 8 |
| b1, b3 | [redacted] | 9 |
| | **USSR:** Wary Afghans Supporting Central Asian Muslims | 9 |
| b1, b3 | [redacted] | 10 |
| b1, b3 | [redacted] | 10 |
| **In Brief** | | 11 |
| **Special Analyses** | [redacted] | 12 |
| b (1) b (3) | [redacted] | 14 |


b3 [redacted]

Wilson Center Digital Archive

3526

Top Secret [redacted] b3

## Soviet Response to Modrow's Plan

Modrow has publicly said he discussed his proposal with the Soviets during his visit this week, and Moscow probably had some influence over the terms of the plan. The role of the Four Powers and the alliances, the implication that unification would be lengthy, and the continued observance of legal obligations during the process are consistent with previously stated Soviet views on how unification should evolve. Moscow probably will welcome Modrow's notion of postponing peace treaty talks until after unification has occurred, viewing it as legitimizing the presence of US and Soviet troops in Germany during the unification process, which Moscow believes is desirable for the stability of East Germany.

The Soviets undoubtedly will largely support the proposal, although they may be somewhat uneasy about Modrow's comments on German neutrality. Their public reservations about unification, however, have lost force since President Gorbachev has acknowledged its inevitability and since East Berlin has tabled an outline for the process. Moscow probably believes that Modrow's speech will help maintain short-term stability in East Germany and that it puts Bonn on notice of the necessity for an ordered procedure to take Four Power rights into account. Moscow may also view the preconditions laid out by Modrow as useful for slowing unification. But the Soviets undoubtedly realize they have few cards to play and probably will focus on safeguarding their own interests as the process unfolds.

[redacted] b3

Wilson Center Digital Archive

3527

Top Secret [redacted] b3

GERMANYS: **Modrow Floats Unification Proposal**

***East German Premier Modrow's unification plan will only marginally improve the Communists' prospects in next month's free elections but could sharpen West German public debate over whether neutrality should be the price for unity.*** [redacted] b3

Modrow yesterday announced a four-step plan for German unification. He emphasized that Four Power cooperation and European integration through CSCE would be prerequisites. He also said the two Germanys should honor their alliance commitments but suggested unification would involve some type of military neutrality, possibly even before a final peace treaty. [redacted] b3

b (1) [redacted]

b (3) [redacted] By placing his proposal in the context of Four Power cooperation and the CSCE process, Modrow took pains to ensure his proposals agree with current Soviet thinking. He probably hopes to ease public pressure for rapid unification by identifying his beleaguered government with the increasingly popular goal of a unified Germany. He almost certainly wants to boost the Communists' poor electoral prospects by being the first East German politician with a definite unification plan; his efforts, however, are not likely to succeed. [redacted] b3

Modrow's ambiguous remarks on neutrality are also aimed at many West Germans [redacted] Modrow no doubt also hopes to encourage those West German politicians who want to minimize a unified Germany's ties to NATO. [redacted]

b (1) [redacted]

Wilson Center Digital Archive Original Scan



b (1)

Top Secret b3

[redacted]

b (1)

Top Secret b3

Wilson Center Digital Archive

Original Scan

3529

Top Secret [redacted] b3

**BULGARIA:** **Prime Minister, Cabinet Resign**

***The resignation of Bulgaria's Prime Minister and Council of Ministers yesterday and the failure of the party congress to make substantial reforms signal a political crisis that may lead to a coalition government as early as next week.*** [redacted] b3

Prime Minister Georgi Atanasov and his cabinet resigned yesterday under intense criticism at the party congress, [redacted] b (3)
[redacted] more reassignments and purges will be announced today. [redacted] b3

The congress passed new party statutes yesterday to replace the Central Committee and Politburo, separate party and government positions, eliminate the concept of democratic centralism, and limit the number of terms party leaders may serve. More radical reforms, such as changing the party's name and eliminating party organizations in workplaces, however, were not approved, leading a reformist faction to announce it will create a separate Bulgarian Socialist Party next week. [redacted] b3

**Comment**: The dissolution of the cabinet and failure of the party congress to adopt significant reforms show the inability of the Communist leadership to respond to party and public discontent, particularly over economic woes. Atanasov's growing unpopularity and association with the Zhivkov regime made his resignation unavoidable. The resignation of the Council of Ministers, however, stemmed from its failure to address Bulgaria's growing economic difficulties. [redacted] b3

Petar Mladenov probably will resign as party General Secretary but remain head of state. Some key hardline party leaders are likely to fall as the Central Committee is replaced by a smaller Supreme Council. Reformist Politburo members Aleksander Lilov and Andrey Lukanov will probably become party leader and Prime Minister respectively. [redacted] b3

The regime hopes the changes will help it regain credibility, and it probably will seek to entice the opposition Union of Democratic Forces into a coalition government within a few weeks, implicating the UDF in the economic crisis and undercutting its popularity before elections set for May. The UDF rejected such calls earlier this week and probably will press for a caretaker government of civil servants, but the public sense of a deepening crisis may force it to join a coalition as early as next week. [redacted] b3

Top Secret [redacted] b3

Wilson Center Digital Archive

3530

Top Secret b3

b (1) b (3)

[redacted]

b1
b3

Top Secret b3

2 February 1990

Wilson Center Digital Archive





b (1) b (3)

[redacted]

Wilson Center Digital Archive



Top Secret b3

b (1) b (3)

[redacted]

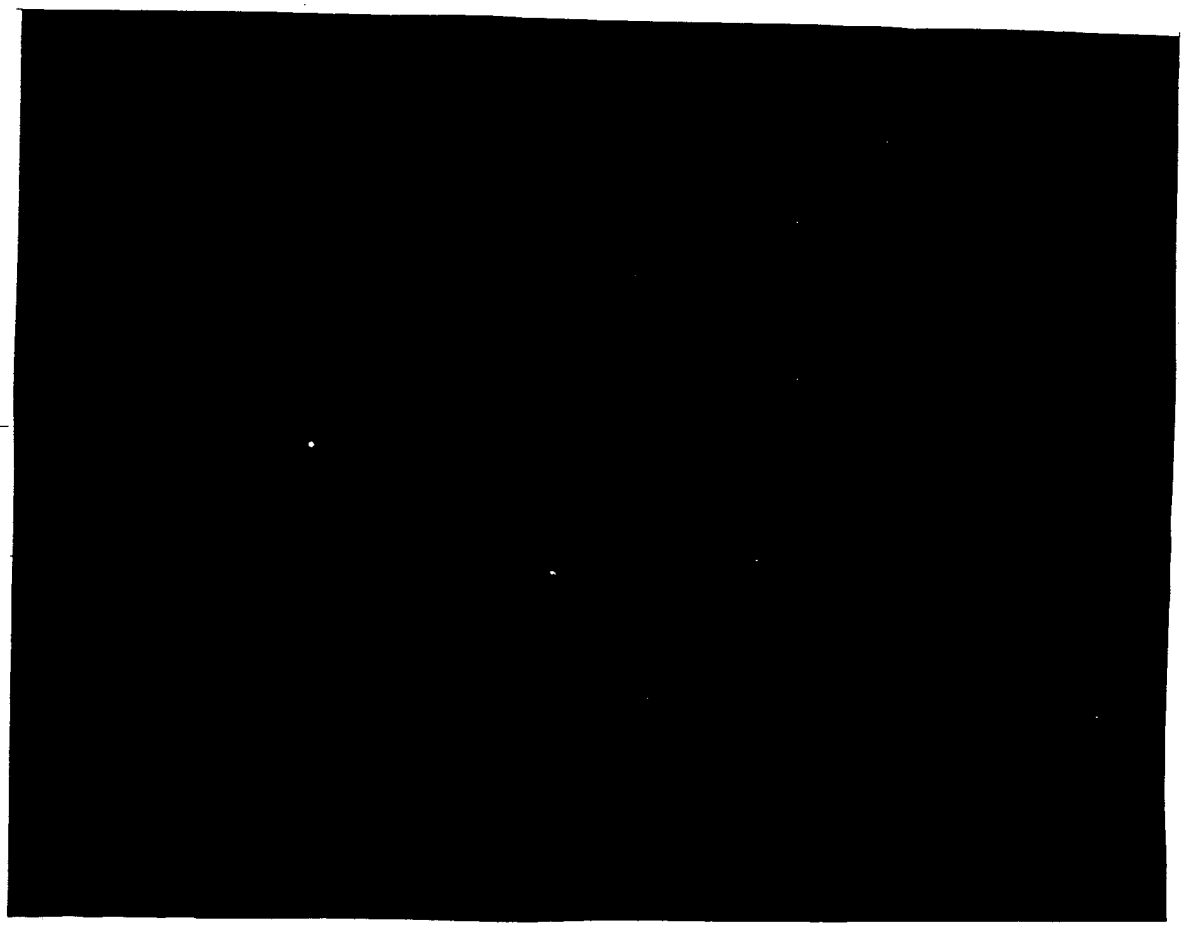
b1
b3

Top Secret
2 February 1990 b (3)

Wilson Center Digital Archive Original Scan

3533





b1
b3

Wilson Center Digital Archive Original Scan

3534

Top Secret b3

SYRIA-IRAN: Alliance of Convenience Likely to Last

*Differences over Lebanon are straining, but will not break, ties between Damascus and Tehran* b3

Press reports indicate the two leaders agreed to impose restrictions on the cross-border travel of Iranians b3

Top Secret b3

Wilson Center Digital Archive Original Scan

3535

Top Secret b3

[redacted]

b1
b3

Top Secret b3

2 February 1990

Wilson Center Digital Archive

3536

Top Secret b3

**COSTA RICA: [redacted] Election Looks Close** b (3)

Going into Sunday's election, opposition Social Christian Unity Party candidate Rafael Angel Calderon has a narrow lead in the polls over the ruling National Liberation Party's Carlos Manuel Castillo. Both are viewed as moderates by their respective parties and both are pro-US. Their lackluster campaigns have largely steered clear of important issues in favor of personal attacks. Calderon has benefited from a series of scandals that have tainted prominent ruling-party members. Castillo's chances apparently were bolstered by his party's superior organization and by a late push highlighting his proposed social programs. [redacted] b3

[redacted] Both Calderon and Castillo are likely to continue President Arias's pragmatic economic policies and to seek closer Costa Rican relations with the US. Its pending accession to the GATT and the collapse of the coffee quota system probably will encourage Costa Rica to pursue stronger commercial ties to the US as well as to Europe and Asia. Neither candidate is likely to try to assume Arias's regional leadership role or to pursue the Central American peace process actively. [redacted] b3

**ARAB STATES: Considering Summit on Lebanon**

The Arab League's Tripartite Committee—Saudi Arabia, Morocco, and Algeria—has called for consultations on convening an extraordinary summit to consider the political and military stalemate in Lebanon. [redacted] b3

b3

[redacted] b3

[redacted] It is unlikely that a summit will be organized on short notice, particularly since Arab leaders will almost certainly prefer to leave the Lebanon issue to the Tripartite Committee. Egypt—whose attitude may be decisive—will be loath to jeopardize its newly restored ties to Syria, and few Arabs feel a sense of urgency over the latest Christian clashes. If a League summit is held, it probably will be after the regular League foreign ministers meeting next month and could consider a variety of topics, including Jewish immigration to Israel and the peace process. [redacted] b3

Top Secret b3

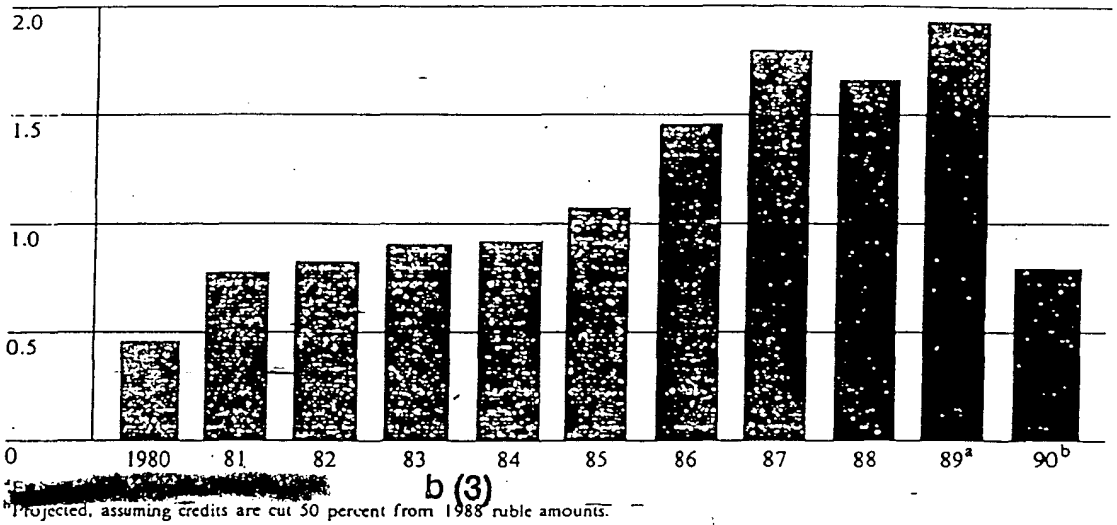
Wilson Center Digital Archive Original Scan

3537

Top Secret [redacted] b3

**USSR: Declining Trade Surplus With Vietnam, 1980-90**

*Billion US $*




[redacted] b (3)

[a] Projected, assuming credits are cut 50 percent from 1988 ruble amounts.

[redacted] b (1) b (3)

Top Secret [redacted] b3

2 February 1990

Wilson Center Digital Archive

3538



## USSR: Aid Policies Toward Vietnam Stiffening

b1, b3 [redacted] Soviet officials plan this year to cut by 50 percent—and eventually eliminate—ruble credits to Hanoi to buy Soviet goods [redacted] b3, b1 credits to finance large projects such as power stations are likely to dry up in 1991-95. b3 Moscow reportedly will try to offset this by increasing joint ventures in Vietnam. Recent press reports claim Soviet Vice Minister of Defense Kochetov told the Vietnamese last November that Moscow would cut aid by about a third, starting in 1991. [redacted] b3

**Comment**: Although Moscow is trying to reduce the costs of its ties to Vietnam, it wants to avoid a serious deterioration while China is improving ties to Hanoi to ensure Vietnam sticks to orthodox Communism. Nevertheless, economic aid, the amount by which Soviet exports to Vietnam exceed imports, already may be falling; Soviet data for the first half of last year show Hanoi's trade deficit with the USSR almost 20 percent less than in the same period in 1988. If Moscow reduces credits as reported, its net economic aid to Vietnam would be less than half of the peak amount of $1.6 billion in 1987. [redacted] b (1) b (3) b3

## USSR: Consumer Goods Program in Trouble

b (3) [redacted] Moscow's urgent program to increase production of consumer goods this year is headed for trouble. Consumer industries across the country are reporting severe shortages of raw materials, often blaming local protectionism for disrupting the flow of supplies. Some producers reportedly are refusing to honor commitments to enterprises in other republics on "ethnic grounds," despite orders from Moscow. [redacted] b3

**Comment**: Moscow is betting heavily that it can produce more consumer goods to ease popular discontent and buy support for *perestroyka*. To do this, it has attempted to reassert central control over production and distribution, but ethnic conflicts, declining labor discipline, and transportation bottlenecks are hampering the effort. Moreover, enterprise unresponsiveness is weakening traditional levers of control, such as production plans and state orders. As a result, Moscow's consumer program is likely to fall well short of its goals. [redacted] b3

Wilson Center Digital Archive

3539

Top Secret b3

[redacted]

b1
b3

Top Secret b3

2 February 1990

Wilson Center Digital Archive

3540

Top Secret [redacted] b3

b1
b3

[redacted]

**USSR: Wary Afghans Supporting Central Asian Muslims**

The Soviets are concerned that recent expressions of support by Afghan resistance leaders for their Muslim "brothers" in the USSR could fuel discontent in Soviet Central Asia. According to an unconfirmed press report, Commander Ahmad Shah Masood—an ethnic Tajik—announced plans Sunday for a radio station that he hoped would reach Soviet Tajik listeners and called on Central Asian Muslims to revolt against Soviet rule. [redacted] b3 Afghan opposition forces have sent weapons, narcotics, and money across the border to subvert Tajikistan's government and to establish an Islamic state. [redacted] b (3) a Tajik citizen trained in subversion by the *mujahedin* has received an eight-year sentence for anti-Soviet activities. [redacted] b3

b (3) [redacted] Soviet officials have long been apprehensive about a spillover of Islamic nationalist activism into Soviet Central Asia. Masood and other resistance leaders may hope to foment unrest there to induce Moscow to limit its support for the Kabul regime. Religious ferment is not yet a major cause of unrest in Soviet Central Asia, but Islamic solidarity might provide a rallying point for growing discontent among Soviet Muslims, especially in border republics. [redacted] b3

Top Secret [redacted] b3

Wilson Center Digital Archive

3541

Top Secret b3

[redacted]

b1, b3

Top Secret b3

2 February 1990

Wilson Center Digital Archive

3542



[redacted]

b3

[redacted]

b3

Wilson Center Digital Archive

3543

Top Secret b3

b (1) b (3)

[redacted]

b3

Top Secret b3

2 February 1990

Wilson Center Digital Archive

Original Scan

3544



## In Brief

[redacted] b1,b3

**Europe** b3

— **Romania**'s National Salvation Front, opposition parties yesterday agreed to form coalition government . . . Front apparently retains key posts . . . opposition likely to continue challenging Front's dominance. [redacted] b3

b1, b3 [redacted]

**Americas**

— **Panamanian** Government granted 16 asylees in foreign embassies safe conduct Wednesday . . . will ask that rest—including Noriega's wife, loyalists—be turned over to face criminal charges; b3 [redacted] b3

**Middle East**

— **Iranian**-backed operatives probably involved in killing yesterday of three **Saudi** diplomats stationed in **Thailand** . . . two killed when gunmen attacked car, third shot at home, reports press . . . [redacted] b3

b1, b3 [redacted]

b1, b3

**East Asia**

— **Taiwan**'s ruling party yesterday endorsed President Li's candidacy for March presidential election . . . empowered him to choose own running mate . . . will improve Li's chances of advancing political reform program after election.-([redacted] b3

Wilson Center Digital Archive



Top Secret b3

b (1) b (3)

[redacted]

Wilson Center Digital Archive

3546



Special Analysis

[redacted]

b1, b3

b1, b3

continued

Wilson Center Digital Archive

3547



[redacted]

b (1) b (3)

Wilson Center Digital Archive

Original Scan

3548



b1, b2 - b (1) b (3)

[redacted]

*continued*

Wilson Center Digital Archive

3549



b (1) b (3)

[redacted]